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Bills to Alter FCC Are Slipped in Package Of Budget Items Approved by Senate Panel

By MARGARET GARRARD WARNER
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WASHINGTON—Several communications bills, including one that could radically alter the work of the Federal Communications Commission, were slipped into the Senate Commerce Committee's budget package yesterday.

The most significant measure would let the FCC substitute a lottery for the expensive and time-consuming hearing procedures it currently uses to decide among broadcasters competing for the same television license. Another provision offers the FCC its first feasible escape from the nearly impossible task of deciding among thousands of applications for low-power television station licenses.

The lottery proposal was introduced by Sen. Barry Goldwater (R., Ariz.) in a separate bill earlier this year. Yesterday, the entire bill found its way into the committee's budget reconciliation measure and was approved without debate.

Also drawn under the reconciliation umbrella were a radio deregulation bill of Sen. Harrison Schmitt (R., N.M.) and four other measures dealing with telecommunications issues. "Packwood wanted to get the show on the road," a Commerce Committee staffer said of committee Chairman Bob Packwood (R., Ore.), who has made telecommunications deregulation his committee's top priority this year.

Yesterday's move doesn't guarantee the proposals will be adopted. It was designed to exploit the firm timetable that has already been established for the budget reconciliation package. The aim of this bill is to reconcile each committee's spending totals with the overall budget figures Congress has agreed upon. It isn't supposed to contain substantive legislation.

But the sponsors of yesterday's action have seized upon the budget bill as a way of getting speedy action on measures that would take several months to enact if considered independently. If no one balks at the move, moreover, the Senate scrutiny given these proposals, as part of the reconciliation package certainly would be far less intense than under usual procedures.

Chairman Timothy Wirth (D., Colo.) of the Telecommunications subcommittee, who wasn't informed of yesterday's move beforehand, will get a chance to seek revisions in the measures if he chooses during the House-Senate conference process. But again, the mammoth nature of the reconciliation package could dampen any House member's attention and impact on the communications measures. Rep. Wirth isn't known to have strong philosophical differences with the general direction of the Packwood-backed legislation, "but he may be a little perturbed at the way we did it," a top Senate committee aide conceded.

The lottery proposal and Sen. Schmitt's radio deregulation measure would substantially lighten the FCC's workload in broadcast regulation, freeing the commission to concentrate on the explosion of new telecommunications technologies. It also would cut the time and the legal fees that aspiring broadcasters must spend to win a station license.

FCC officials strongly supported the lottery bill in Senate testimony earlier this year, and urged the committee to make the bill retroactive so they could handle the deluge of low-power applications.

On April 9, the FCC abruptly closed its doors to additional low-power applicants after receiving, since the previous September, more than 5,000 applications to operate a new generation of low-range, low-power television stations. "The Senators didn't have a great deal of sympathy for the commission on that point, because they felt the commission's really screwed up on low-power," a Commerce Committee staffer said yesterday. "But there was a real easy way to take care of the problem in this bill, so they went along with it."

The Goldwater bill requires the FCC to establish a lottery procedure, but leaves its actual use to the commission's discretion. The measure also extends the life of a television license to five years from the current three, a change designed to lend stability to broadcasters' planning processes.

It further requires the FCC to consider a station owner's application for license renewal on its own merits, rather than judging it against an application from a competitor. The Schmitt bill establishes a similar lottery provision for new radio licenses. It also ends all FCC regulation of program content, except for the Fairness Doctrine.

Washington Post, 6/11/81, p. C1

Broadcasting Deregulation Measures Advance on Hill

By Merrill Brown
Washington Post Staff Writer

The Senate Commerce Committee, using the budget as a vehicle, yesterday approved two major pieces of broadcasting legislation, including a measure that would grant radio stations permanent licenses.

The legislation adopts many parts of the radio deregulation program already endorsed by the Federal Communications Commission. The granting of indefinite license periods for radio stations, instead of the current three-year license period, is not part of the FCC's action.

A number of citizen groups are challenging the FCC's action in an appeals court proceeding, claiming that [illegible] action, which, for instance, lifts news and public affairs requirements from station operators, will strip the public of rights to challenge station procedures.

The legislation eliminates comparative license proceedings for radio stations and sets up a random selection process for awarding new licenses. Stations also would be freed from a regulation requring them to survey the public regularly in an effort to determine potential audience concerns.

The piece of the legislation dealing with television stations is not quite as sweeping, although it extends licenses from three to five years and adopts a similar lottery-like procedure for awarding new permits.

According to Senate sources, the legislation was considered as part of the budget process because another part of the package sets up a new license fee system for radio and television licensees as a means to cut from the FCC's budget.

But the decision to consider the legislation, the key parts of the committee leadership's broadcasting deregulation program, drew immediate criticism from a representative of a citizen's group opposed to the licensing and other changes in radio and television regulation.

"It is unfair that public groups like ours and organized labor were not informed that this would be done today," said Samuel Simon, executive director of the National Citizens Committee for Broadcasting. "By tying it to budget matters, they are assuring that these measures will not be directly considered. They are seeking fundamental changes in the nation's communications laws that deserve separate consideration before the entire Senate."

The House Commerce Committee, the panel with comparable oversight responsibilities, is planning to consider broadcasting legislation as a separate matter from budget considerations. Therefore, it is unlikely that the broadcasting measure will be adopted during House-Senate conferences on budgetary matters.

Washington Star, 6/11/81, p. D9

Senate Panel Attaches Communication Items To Spending Measure

By Caroline E. Mayer
Washington Star Staff Writer

The Senate Commerce Committee has quietly and quickly approved legislation that would make major changes in the way the government has regulated radio, television and telegraph companies for the past 47 years.

The changes were included in a major funding measure unanimously approved yesterday after the committee debated less than half an hour.

The measure, called the reconciliation bill, was designed chiefly to cut federal spending. It will be combined with similar measures from other committees to become part of an overall budget-cutting package that will be approved by Congress and sent to the president.

Although the measure is supposed to deal primarily with funding cuts, the committee agreed to attach to it several other legislative proposals it had been considering for the past few months, partly to speed up their approval by Congress.

Among them is a controversial proposal to allow Western Union Co. to offer international service for the first time. Western Union's would-be international competitors, such as RCA Corp. and International Telephone & Telegraph Corp., have objected to this proposal on the grounds it would give the domestic telegraph company an unfair advantage because more companies have access to Western Union facilities than RCA and ITT operations.

The measure, approved by the committee two months ago, has been stalled on the Senate floor by a handful of members who have put a hold on it to keep it from being considered.

Also attached to the bill is a series of proposals that will loosen the Federal Communications Commission's control over the broadcasting industry. Radio station owners will be able to renew their licenses once every 10 years instead of once every three years as required by current rules.

Similarly, TV licenses will be issued for five-year terms, up from the current three-year terms. What's more, TV station owners will be able to renew their licenses with fewer challenges from other companies that are seeking their licenses.

Additionally, companies competing for television or radio licenses no longer will have to undergo extensive hearings before the FCC can determine which company will best serve the public. Instead, the FCC will be able to use a lottery system to grant licenses to any qualified company.

For the past two years, these changes have been eagerly sought